

**Edina Art Center Board Meeting
Meeting Minutes
City of Edina, Minnesota
Edina Art Center Studio 14
August 25, 2011
4:30 P.M.**

I. Call to Order

Mr. McCabe called the meeting to order at 4:31 pm

II. Roll Call

Members Present: Bill McCabe, Ruth Valgema, Hafeed Bouassida, John Swon, Thomas Raeuchle, Kitty O'Dea, Barbara La Valleur

Members Absent: Dana Lappin, Colin Nelson, Renee Usem, Maria DePesa, Thea Zerbe

Staff Present: John Keprios, Diana Hedges, Michael Frey

Community Members Present: Heather Randall King

III. Approval of Meeting Agenda

Mr. McCabe asked for additions and/or corrections to the meeting agenda.

Ms. Hedges asked that discussion and action on the CIP "Capital Improvement Plan for 2012-2016 and Fees & Charges be moved from Staff Reports to Reports. Electronic copies were sent previously, and hard copies of the CIP and Fees & Charges were circulated to all members present. Mr. Raeuchle asked for addition of a marketing report and a budget discussion.

IV. Adoption of Consent Agenda

A. Approval of Minutes

Mr. McCabe asked for additions and/or corrections to the minutes of the Regular Meeting of June 23, 2011.

Mr. Raeuchle asked for additions. Under Membership Report: add the current number of members at the Edina Art Center with the number 1100 mentioned during discussion. Under Staff Report: add Ms. Hedges's financial report and the number of class registrations for the current year. The approximate number 7223 was provided and needs to be included in the minutes.

Mr. Raeuchle asked a question about the long range planning committee. He stated that there were additional questions about the long range planning committee and wanted to know what the questions were. The motion passed three months ago the first time and there was nothing at the City Council meetings about the LRP committee.

Mr. McCabe mentioned that the By-Laws are on the agenda as a discussion item and the long range planning committee would be included under VI: Reports/Recommendations, Item F: EAC By-Laws.

Mr. Raeuchle made a motion with respect to the minutes that the reports from the subcommittees be included verbatim. Board members Raeuchle, Bouassida & McCabe agreed that reports from subcommittee chairs were requested to be received electronically by Art Center staff and attached to the minutes.

Mr. Raeuchle stated that his budget report was not on the agenda. Ms. Hedges replied that electronic reports are to be received by Art Center staff one week prior to the meeting to be included on the agenda. Mr. McCabe asked if the report was written and could be included if in written format. Mr. Raeuchle affirmed it was. Ms. O'Dea offered that written reports received one week in advance allows board members to concentrate on discussion rather than reading the report during the meeting. Ms. Hedges commented that minutes written verbatim is a difficult task, and has been a point with other boards.

Mr. Keprios commented that the new City Manager is trying to get consistency with minutes for boards and commissions. He stated the agenda was in the new format and under Reports each report and recommendation should have its own separate form that staff is to produce. Reports should be received by Ms. Hedges so that a packet with the agenda, reports and any attachments may be distributed one week prior to the meeting. Typed minutes are considered a discussion and summary of all of this information to give the tone and key points of the discussion and the action or vote that was taken.

Mr. Bouassida commented that if members were quoted incorrectly in minutes an opportunity exists to clarify items through corrections to minutes prior to approval. Mr. Raeuchle withdrew his motion as the board was in agreement with minutes including attachments of reports from subcommittee chairs.

Ms. Valgema asked Mr. Keprios if board members are to follow a particular format for reports, and he stated that board members submit a report and the City Manager requests that staff place the report in the correct format.

Mr. McCabe said the board would not act on the minutes at this meeting and that time would be allowed to include corrections and additions. The minutes would be re-circulated and acted upon during the September 2011 meeting.

V. Community Comment

Heather Randall King was present and thanked members for the invitation to the August meeting.

VI. Reports

Mr. McCabe said he wanted to be thorough so the listed reports will be presented in order on the agenda and that additions are included at the end of the meeting.

A. Edina Public Art Committee Report

I. See Attachment A - EPAC Report

Ruth Valgemmae reported for the Edina Public Art Committee.

She reported that Bill McCabe will submit a detailed financial report at the next meeting.

The Bicycle Mosaics/York Avenue Bridge Dedication will be on September 10, 2011 with the Bike Edina Task Force. Ms. Hedges passed out information about the dedication at 2pm and the public is welcome.

A subcommittee has been formed to design a user friendly map of the Promenade. Ms. Hedges produced a large copy of the user-friendly map created for visitors to identify sculptures at the Promenade. The copy will be reduced to 4" x 5" laminated map for easy use. She asked board members to view and offer feedback.

Ms. Valgemmae volunteered to update the notebook at City Hall. Ms. LaValleur asked for clarification as to which notebook she referred to. Ms. Valgemmae stated it is the three-ring binder with EPAC photographs and information.

As a final item, Ms. Valgemmae extended a thank you to all who attended the event at Grandview Square. The event was a big success with a great band and a perfect evening. Ms. Hedges and Ms. Valgemmae asked all to make sure to vote for their favorite sculptures at Grandview Square and the Promenade before September 10th as winners will be announced at "Fall into the Arts" festival on September 10th & 11th, 2011. Members were encouraged to view the sculptures in person in addition to the Bicycle Mosaics.

B. Edina Film Festival

I. See Attachment B - Edina Film Festival Report for 8/25/2011

John Swon reported on the Edina Film Festival presented by the Edina Art Center.

Several goals had been reached by the Film Festival committee. The budget was reduced to a bare bones budget of \$6,650.00. Tradition Capital Bank revised their pledge from \$5,000 to \$1,000. Seven new businesses had pledged support. Key Cadillac donated \$250. In the next two weeks businesses were asked to write checks for the pledged amounts. Twelve films were targeted as festival films to be approached and the committee will meet to discuss the film choices the following week. A total of 77 businesses or vendors had been approached. Thanks were extended to Heather Randall King for her assistance with the Key Cadillac donation.

Mr. Raeuchle asked if the festival was "on" or not. He stated that a decision was to have been made by August 1st, 2011. Mr. Swon replied that in two weeks from this meeting date any monies would be in the bank and the money received would cover expenses. He stated that Allegra may be willing to make a donation for the printing of the program. If the money received is less than the \$6,650.00 budget, a decision would need to be made how to proceed. Currently there is \$1,250 received.

Ms. O'Dea stated the number of businesses approached was impressive, and asked about the nature of responses as to why businesses might not want to donate. Mr. Swon replied the economy was the general comment.

Mr. McCabe expressed concern that the timeframe was eight weeks until the festival was to occur. He stated that there had been no publicity, and did not want it to be a non-event. Mr. Swon replied that six weeks was the film committee's agreed time for promotion to begin. Mr. McCabe asked if an audience could be created in that amount of time, and Mr. Swon replied affirmatively. Posters would go to 50th & France businesses, press going to the SunCurrent, and various civic organizations would be asked to spread the word. Ms. O'Dea asked about the nature of the films. Mr. Swon replied the films would be family-friendly.

Ms. Hedges commented that when she tried to access the website <http://www.edinafilmfestival.com> that it was blocked and asked if there was information on the website. Mr. Swon replied that there was a holding page, but he would check into it. Ms. O'Dea commented that the Fall into the Arts festival would be a great time to promote the film festival.

C. Members' Juried Show

I. See Attachment C - JS Meeting Notes dated August 23, 2011

Ruth Valgema reported on the 27th Annual Members' Juried Show in Renae Usem's absence.

The reminder cards for the Juried Show had been printed and distributed to all board and Juried Show committee members. Heather Randall King had called 101 previously entering artists from years 2009-10 to remind them about entering the 2011 Juried Show. Bob Kojetin offered to assist with hanging artwork during Bring-In day. The City of Edina PR & Marketing policy was mentioned with the continued request that all information go through Jennifer Bennerotte in Communications.

Ms. Hedges stated she spoke with Ms. Bennerotte and both agreed it would be a good idea for Ms. Bennerotte to attend an Art Center board meeting. She is scheduled to attend the October 27th, 2011 meeting to discuss media policy.

The opening reception is Thursday September 29th, 2011 from 5-8pm. Planning is on schedule. Eddi Fesler had notified the JS Committee that she will be unavailable to do food for the event and Dana Lappin had offered to coordinate food. The one night liquor permit was investigated but tabled by the JS committee. Heather Randall King asked and reminded the board about hosting the event. Mr. Raeuchle asked to have the sign-up list re-circulating.

D. Ways & Means Committee

Bill McCabe reported for the Ways & Means committee.

The Ways & Means committee had not met since the July 19th meeting. A list of six names for donations was sent by e-mail to Mr. McCabe. The list was compared with Edina Film Festival donors and the Edina Public Art Committee list and the names were passed on for Juried Show solicitation.

E. Membership

I. See Attachment D - Membership Chair Report Dated 8/25/2011

Michael Frey reported on membership in Dana Lappin's absence.

Mr. Frey passed out a graph of membership numbers showing a decrease in lost revenue due to Ms. Lappin's efforts as membership chair. A thank you was given to Ms. Lappin for her hard work. Membership revenue loss had been reduced from \$3,100 in March 2011 to \$1,312 in August 2011.

Mr. Raeuchle asked if this was membership revenue collected from the 932 members. He asked if the chart was in respect to budget or membership numbers. Mr. Frey replied of the difficulty in knowing exact dollars from renewals or new members, and the chart was in respect to budget alone. Discussion followed about membership numbers, registrations and budget.

Ms. Randall King mentioned that all individuals contacted for the 2011 Juried Show said they would renew their membership except one which had nothing to do with the Art Center. Memberships in the City of Edina are down a bit from 2010 compared to the first eight months of 2011.

F. EAC By-Laws (Continued)

Mr. McCabe sent a copy of the current by-laws labeled Guidelines for Organization and Function of Edina Art Center Board to board members electronically prior to the meeting. Mr. Raeuchle had previously offered to head the Long Range Planning Committee. The offer was placed on hold until updating and finalization of the by-laws was complete. Agreement was made to place the LRP committee into the new by-laws. Mr. McCabe stated that Ms. Hedges had sent information that Karen Kurt, the Assistant City Manager of the City of Edina is working to standardize by-laws for board and commissions for the City of Edina. It was Ms. Hedge's opinion that the Art Center board establishes a separate by-law sub-committee. Mr. McCabe recommended that this be done and asked if Mr. Raeuchle would head the sub-committee. Mr. Raeuchle said he would be willing to lead the sub-committee but asked for direction from the City of Edina as the board serves at the request of City Council.

Mr. Keprios stated it was important to have staff sit on the sub-committee and that the new Assistant City Manager Karen Kurt has been given the responsibility to come up with a set of items that are consistent for all by-laws. The City Manager and Assistant Manager learned that all boards are uniquely different and cannot operate under the same by-laws, though there are certain components that can and should be the same. The Art Center staff and board were asked to identify those items that are unique to the Art Center to be included in the by-laws. Mr. McCabe asked if the Art Center can start with the existing by-laws. Mr. Keprios stated there is no need to re-invent the wheel. Mr. Bouassida offered to assist Mr. Raeuchle in this task.

Ms. Hedges stated that the model for Fees & Charges, CIP and board review is the Park Board. Mr. Raeuchle stated it was important to have guidelines from the Park Board, what is to be included and what is not.

Mr. Raeuchle verified if this is part of the long range planning effort and Mr. McCabe agreed it was. Mr. Raeuchle asked if the LRP Committee needed to be approved by City Council or approved only through Art Center by-laws. If approved by the by-laws only then he would like to put the word out through Jennifer Bennerotte for volunteers.

Discussion followed about council approval to establish a committee to open the Long Range Planning committee to citizens of the city of Edina. Mr. Keprios, in reading the current Art Center by-laws, stated that within the City code boards and commissions may not assign committees unless it is stated within the by-laws and approved by council, which it has. The Art Center by-laws state these very specifically. Some boards have by-laws that state "group reserves the right to form committees as needed." Mr. Keprios recommended that the board be asked during today's meeting to request council for the committee to study the by-laws. Mr. Raeuchle asked specifically for a request to City Council that the Long Range Planning committee be approved as this is the third request.

Ms. Valgema pointed out in the current Art Center by-laws Item 10: Committees, Section k: Special Committees "may be appointed by the Chair with the approval of the Board of Directors as the need arises" Mr. Keprios stated that was sufficient and no approval by the council was needed.

Mr. McCabe approved the committee and will appoint members to, and included himself on, the committee.

G. Budget, CIP and Fees & Charges (Addition to Agenda)

I. See Attachment E - Questions about Budget notes (submitted by Mr. Raeuchle at 8/25/11 mtg.)

II. See Attachment F- CIP Capital Improvement Plan 2012-2016

III. See Attachment G - Fees & Charges

Budget

Mr. Raeuchle asked questions about the budget that was previously sent to board members. The first question was about the full time assistant position and the amount of teaching revenue being additional revenue. Was the amount reflected in the budget?

Ms. Hedges replied that she could not answer the question as she did not know who would be hired in the position. If the individual currently works for the Edina Art Center, the budget accurately reflects the additional revenue. If the individual hired is from outside the Art Center, it would depend on teaching experience, etc. Professional services expenses would come down if Mr. Frey were hired, for example.

Mr. Raeuchle commented that it would be unrealistic to ask for additional staff at this time in light of the city denying the police department three new additional personnel. Ms. Hedges replied that the full time position of Assistant Director was never replaced when vacated in 1997, and Phil Johnson, the Media Studios Manager was also a full-time position that was not replaced. Mr. Raeuchle asked Mr. Keprios to weigh in and Mr. Keprios agreed the city budget situation may be a deterrent. Ms. Hedges asked the question about who assumes responsibility should the director become ill or need to take a leave of absence.

Mr. Raeuchle asked the next question about the \$8,000 increase in additional instructor fees. Ms. Hedges explained an instructor receives the same pay even when class size is reduced. Mr. Raeuchle asked why the fee goes up?

Ms. Hedges explained this also includes professional services. Ms. O'Dea asked for a definition. Ms. Hedges replied the editor of the schedule, outside vendors, maintenance costs. Ms. Hedges commented that a better word would have been professional services and could provide details.

Ms. Hedges commented that the 1100 count of memberships included expired memberships. Mr. Raeuchle stated that if the membership number is 932, times \$30 equals approximately \$28,000 in membership revenue. Mr. Frey offered to count class registration numbers before the next board meeting.

Discussion followed about registration software to prevent hand-counting. Ms. Valgemae asked if the city used or owned software of this type. Mr. Keprios stated that software is unique to each entity; the golf course used multi-thousand dollar software, and suggested that the board possibly vote to establish a group to research point of sale software for registration data and figures and have an expert come out to explain options.

Mr. Bouassida mentioned a professor at his school who is a resident of Edina with an IT specialization that would be very helpful in this matter.

Mr. Raeuchle pointed out that Edina residents subsidize approximately \$35 per class registration. He was also concerned that the 2011 advertising budget was projected to be under-spent and under the situation should be over-spent.

Due to the length of the meeting and the time at 5:45 pm, Mr. Raeuchle was asked to summarize the remaining budget points. The second page Mr. Raeuchle had distributed was a budget recommendation that he asked the board to pass by a motion which reduces the deficit from \$250,000 to \$100,000. The last page presented was proposed fee suggestions to accomplish deficit reduction.

Mr. McCabe stated that a motion could be passed to recommend, but the board has no actual authority over the actual budget. Due to time, the chair opted to proceed to CIP and Fees & Charges needing board approval.

Mr. McCabe asked if there were exceptions to the budget information passed out by Mr. Raeuchle. Ms. Valgemae and Ms. La Vallée requested more time to study Mr. Raeuchle's budget recommendations in response to Mr. Bouassida's question of the goal of the discussion. Ms. O'Dea asked about timing, and Mr. McCabe responded that the budget is a staff recommendation to the city and is in process with no final say. Mr. Keprios agreed and stated that this information would go to the City Manager and the information would be passed to City Council. He commented that this is the first time boards and commissions have been asked for review and comment on the budget. Mr. Raeuchle offered the date of September 20th as the first reading by City Council of enterprise budgets. Mr. Keprios stated that had nothing to do with enterprise facility budget, and said the city is well ahead of schedule on these items. The September 20th date mentioned refers to levy limits and the

general fund of the City of Edina. Mr. Raeuchle stated that the \$250,000 Art Center deficit is 1% of the city's levy.

Mr. Keprios thanked everyone for review and comments and if there were additional comments to e-mail those to Ms. Hedges.

Ms. O'Dea suggested increasing the 33% mark-up on supplies which she felt was low to increase the margin. She also suggested an increase of non-residential fees to a greater gap with 70% of registrants outside of Edina. Ms. Hedges commented there was previous board discussion at least three years earlier that instead of charging more to non-Edina residents offer Edina residents a monetary incentive.

CIP - Capital Improvement Plan

Ms. Hedges was asked if anything in years 2012-2015 was different from items previously approved by the board by Mr. Keprios. Ms. Hedges replied that items were the same. Mr. Keprios noted that only 2016 items would then be new information.

MS. VALGEMAE MADE A MOTION FOR THE CIP BE APPROVED AS STATED. MS. O'DEA SECONDED THE MOTION. Discussion followed. Mr. Bouassida expressed the comment that acceptance is for a plan without a long range plan in place for the Art Center. Mr. Keprios offered that this is a five-year plan and a one-year budget "the only dollars appropriated and approved by council are for 2012. The remaining years are something on paper for a vision of following years and typically changes.

Mr. Raeuchle asked about the \$85,000 for the parking lot improvements. Ms. O'Dea & Mr. Bouassida stated the item was in the budget presented and accounted for by Ms. Hedges. Mr. Keprios stated that City Council would review the board's recommendations and fund the CIP included in the Art Center budget. **MOTION CARRIED WITH NO DISSENT.**

Fees & Charges

MS. VALGEMAE MOTIONED FOR THE FEES & CHARGES TO BE APPROVED AS STATED. MS. O'DEA SECONDED THE MOTION. Ms. Hedges commented that the Media Studios had one change of \$30 for hourly open studio computer charge. She stated staff recommendation of registrations be raised by \$.25/hour to \$8.25, and as the economy has affected both membership and registrations to decrease that a price increase may cause the numbers to decline again. The rates are at a mid-point in comparison with other Art Centers.

Mr. Raeuchle offered the comment of what people are willing to pay for their recreation dollar. He referred to page three of his budget notes. Ms. Hedges mentioned the founding individuals, Marian Ward and Pat Greer, wanted the Edina Art Center not just for the rich, but accessible to all and not exclusionary.

Ms. O'Dea asked Ms. Hedges opinion of raising non-resident registration fees, and Ms. Hedges felt the Art Center could safely raise those rates.

MR. RAEUCHLE MOTIONED TO AMEND THE MOTION OF FEES & CHARGES STRUCTURE AS STATED WITH RAISING MEMBERSHIP FEES \$5 FOR RESIDENTS AND NON-RESIDENTS OF THE CITY OF EDINA; INDIVIDUAL RATES FROM \$30 TO \$35 AND FAMILY MEMBERSHIPS FROM \$45 TO \$50. MR. BOUASSIDA SECONDED THE MOTION TO AMEND.

MR. RAEUCHLE REVISED THE MOTION WITH APPROVAL FROM MR. BOUASSIDA. MS. O'DEA SECONDED THE REVISED MOTION TO RAISE ONLY NON-RESIDENT MEMBERSHIPS. **AMENDED MOTION CARRIES.**

????

Note from Diana - I thought the motion was to raise Membership fees to \$35 for individual for non-residents and \$50 for family non-residents, but keeping the \$30 and \$45 for Edina residents.

From Michael - Yes, that was the gist of it. However, the original motion was to raise all, then revised to raise only non-resident.

MR. RAEUCHLE MOTIONED TO INTRODUCE A NEW STUDENT MEMBERSHIP CATEGORY PRICED AT \$20 ANNUALLY WITH NO DISCOUNT. MS. O'DEA SECONDED THE MOTION. Mr. Raeuchle stated the rationale was to encourage younger members join the Art Center aimed mainly at high school students. Mr. Bouassida offered that students with a student I.D. are accepted as a student.

Ms. Valgema asked if the motion could be tabled at this time. Mr. Bouassida & Mr. Swon felt the Membership Chair needed to be included in the conversation and student rates monitored before a decision was made. THE CHAIR, MR. MCCABE STATED THE MOTION NEEDED A VOTE. AYES: BOUASSIDA, RAEUCHLE. NAYES: VALGEMAE, LA VALLEUR, O'DEA, SWON. **MOTION DOES NOT CARRY.**

MR. RAEUCHLE MOTIONED TO RAISE CLASS FEES TO \$9 PER HOUR RESULTING IN \$40,000 ADDITIONAL REVENUE. MS. O'DEA SECONDED THE MOTION. Ms. Hedges was not in favor of the increase using the comparison of Eden Prairie, one of the Art Center's biggest competitor with non-member class prices determined by instructor priced from \$3.66 to \$11 per hour. Bloomington Art Center prices were from \$7.05 to \$7.77. THE CHAIR, MR. MCCABE CALLED FOR A VOTE. AYES: RAEUCHLE. NAYES: LA VALLEUR, VALGEMAE. ABSTAIN: BOUASSIDA, O'DEA, SWON. **MOTION DOES NOT CARRY.** Consensus was a longer discussion was needed on this item.

MR. RAEUCHLE MOTIONED TO RAISE FIRING FEES FROM \$1.00 TO \$1.50. MS. O'DEA SECONDED THE MOTION. Ms. Hedges & Mr. Frey stated that current firing fees are at \$1.50. Mr. Raeuchle states the intention is to raise firing fees by \$0.50. **MR. RAEUCHLE WITHDRAWS MOTION.**

Mr. McCabe asks the board to continue with the original motion of Fees & Charges with membership changes. Ms. O'Dea asks if the Media Studios could be run at a higher price, and Ms. Hedges stated that Media classes are currently at a higher price and a percentage of classes do not run. THE CHAIR, MR. MCCABE CALLS FOR A VOTE ON THE ORIGINAL MOTION. **THE CHAIR STATES MOTION CARRIES.**

VII. Correspondence and Petitions

Mr. McCabe stated that no correspondence had been received.

VIII. Chair and Board Member Comment

No comments were voiced.

IX. Staff Comments**X. Adjournment**

The meeting was adjourned by the Chair at 6:01:18 pm.

XI. The City of Edina wants all residents to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or anything else, please call 952-927-8861 72 hours in advance of the meeting. nce of the meeting